

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Application No. : 09/932,588  
Applicant : James T. Pantaja  
Filed : August 17, 2001  
TC/A.U. : 3622  
Examiner : Daniel Lastra  
Title : Redemption System for Award Redemption  
Docket No. : 2829-141  
Customer No. : 6449  
Confirmation No. : 5221

**MAIL STOP – Appeal Brief -- Patents**

Commissioner for Patents

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**APPELLANT'S' AMENDED BRIEF ON APPEAL UNDER 37 C.F.R. § 41.37**

Sir:

The following comprises the Appellant's Amended Brief on Appeal from the final rejection, dated May 3, 2007, of claims 1-8, 11-15, and 17-19, the claims having been rejected a total of seven times, the prior rejections being dated November 2, 2006, May 18, 2006, December 23, 2005, June 15, 2005, January 11, 2005, and August 26, 2004. This Amended Brief is being filed on November 19, 2007, within one-month of the October 19, 2007 Notification of Non-Compliant Brief. The original Appeal Brief was accompanied by the required appeal brief fee set forth in 37 C.F.R. § 41.20(b)(2). The original Brief was timely filed on October 3, 2007, within two months of the August 3, 2007 Notice of Appeal.

**I. REAL PARTY IN INTEREST**

The real party in interest is Affinion Net Patents, Inc., the assignee of this application.

**II. RELATED APPEALS AND INTERFERENCES**

There are no other prior or pending appeals, interferences or judicial proceedings known to appellant, the appellant's legal representative, or assignee which may be related to, directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

### **III. STATUS OF CLAIMS**

This application was filed with claims 1-21. Applicants cancelled claims 9, 10, 16, 20 and 21. Claims 1-5, 7, 8, 11-13, 15, and 17-19 stand rejected under 35 U.S.C. § 102, and claims 6 and 14 stand rejected under 35 U.S.C. 103 per the final Office Action dated May 3, 2007. The rejections of claims 1-8, 11-15, and 17-19 as set forth in the May 3, 2007 Office Action are being appealed.

### **IV. STATUS OF AMENDMENTS**

No other claim amendments have been filed since the final Office Action dated May 3, 2007.

### **V. SUMMARY OF CLAIMED SUBJECT MATTER**

Systems have been developed that allow consumers to earn common currency awards (“awards”) through transacting business with participating merchants. (Application (“Appln.”) p. 1, ln. 10-16). In these systems, consumers may redeem their accumulated common currency awards for a variety of products or services offered by participating merchants. (Appln. p. 1, ln. 23-27). In the current invention, information about the awards is stored in the award history database. (Appln. p. 8, ln. 1-18, Figure 3). Further, consumers may redeem points earned at one merchant for products or services offered by a dissimilar merchant. (Id.). However, the redemption of awards may be restricted by limitations, such as a merchant not accepting awards that were earned through certain promotions and/or merchants, or a merchant not accepting awards after an expiration date. (Appln. p. 1, ln. 28-31). The current invention is directed to determining which of the earned awards to redeem when a consumer requests an award redemption. (Appln. p. 2, ln. 1-2).

According to the present invention, the determination of which awards to redeem is based, at least in part, on the encumbrance levels of the awards. (Appln. p. 2, ln. 9-19). As set forth in the specification, “encumbrance of awards is measured in terms of restriction on redeeming the awards at certain suppliers.” (Appln. p. 13, ln. 11-12). Further, awards may be

encumbered if one or more merchants will not accept particular awards because of which merchant the awards was earned, and/or through what promotion the awards was earned, or because there is a "black-out" period during which the awards may not be redeemed. (Appln. p. 13, ln. 12-30). For example, according to Figure 4 of the application, Suppliers 200 and 400 will not accept awards issued by Business 2 under Promotion 1, Suppliers 300 and 400 will not accept awards issued by Business 3 under Promotion 1, and Supplier 200 will not accept awards issued by Business 4 under promotion 2. Thus, according to Figure 4 of the present application, awards issued by Business 2 under Promotion 1 or Business 3 under Promotion 1 are each not accepted by two different Suppliers, while awards issued by Business 4 under promotion 2 are not accepted by just one Supplier. Therefore, the awards issued by Business 2 under Promotion 1 or Business 3 under Promotion 1 are more encumbered than awards issued by Business 4 under promotion 2. (Appln. p. 8, ln. 32 – p. 9, ln. 2). Thus, the redeemability of all awards is not equal, because some suppliers may limit award redemption based on where and during what promotions the awards were earned.

Once a request for award redemption is made, the available awards encumbrances must be determined. (Appln. p. 11, ln. 16-22). The determination of an awards encumbrance is made by referencing an encumbrance database, as shown in Figure 4 of the application, that contains information indicating whether or not a merchant will accept awards earned from other merchants and/or via particular promotions. (Appln. p. 8, ln. 26-34). If an award is not redeemable at a merchant it is encumbered. (Appln. p. 13, ln. 11-12). In one embodiment of the invention, after determining the encumbrances of the available awards, the most encumbered awards are chosen for redemption. (Appln. p. 12, ln. 5-9).

Returning to the above example, if a customer, having awards issued by Business 2 under Promotion 1, Business 3 under Promotion 1, and Business 4 under promotion 2, seeks to redeem awards at Supplier 300, the awards issued by Business 2 under Promotion 1 would be redeemed first. This is because Supplier 300 does not accept awards issued by Business 3 under Promotion 1, and thus the only allowable awards are those issued by either Business 2 under Promotion 1 or Business 4 under promotion 2. Of the two allowable awards, the awards issued by Business 2 under Promotion 1 are the more encumbered, and thus are redeemed first. (Appln. p. 8, ln. 32 – p. 9, ln. 2); (Appln. p. 12, ln. 5-9).

In all of the independent claims now being appealed, there is a claim limitation directed to determining which of the allowed awards, having different encumbrance levels, to redeem based on the encumbrance levels.

According to another aspect of the invention, the determination of which award to redeem depends, at least in part, on the expiration date of the award and the earning date of the award. (Appln. p. 12, ln. 10-16).

Claims 1, 8, 17, and 19 are the independent claims that are being appealed. Claims 1 and 8 define methods for carrying out the present invention. Claims 17 and 19 define systems for executing the present invention. The subject matter of each of the independent claims is set forth below.

Claim 1 is directed to maintaining an award history database that includes award transaction information that describes awards earned by a consumer and, for each earned award, the type of award (Appln. p. 8, ln. 1–18, Figure 3); maintaining an encumbrance database that describes types of awards that cannot be redeemed at one or more suppliers (Appln. p. 8, ln. 32 – p. 9, ln. 2, Figure 4); receiving a request to redeem an amount of the earned awards at a chosen supplier (Appln. p. 11, ln. 16 – 22); determining allowed awards that can be redeemed with the chosen supplier (Appln. p. 8, ln. 26 – 34, Figure 4); determining encumbrance levels of the allowed awards based on the types of allowed awards and the data in the encumbrance database (Appln. p. 8, ln. 32 – p. 9, ln. 2), (Appln. p. 12, ln. 5 – 9); and determining which of the allowed awards, having different encumbrance levels, to redeem based on the encumbrance levels (Appln. p. 12, ln. 5 – 9).

Claim 8 is directed to maintaining an award history database that includes award transaction information that describes awards earned by a consumer and including, for each earned award, an expiration date, and type of award (Appln. p. 8, ln. 1–18, Figure 3); maintaining an encumbrance database that describes restrictions on redeeming types of awards (Appln. p. 8, ln. 32 – p. 9, ln. 2, Figure 4); receiving a request to redeem an amount of the earned awards (Appln. p. 11, ln. 16 – 22); determining allowed awards that may be redeemed based on the expiration date and the types of awards (Appln. p. 1, ln. 28 – 31), (Appln. p. 8, ln. 26 – 34, Figure 4); determining encumbrance levels of the allowed awards based on the types of the allowed awards and the restrictions on redeeming the allowed awards as maintained in

the encumbrance database (Appln. p. 8, ln. 32 – p. 9, ln. 2), (Appln. p. 12, ln. 5 – 9); determining which of the allowed awards to redeem based on the earning date (Appln. p. 12, ln. 10 – 16); and determining which of the allowed awards, having different encumbrance levels, to redeem based on the encumbrance levels (Appln. p. 12, ln. 5 – 9).

Claim 17 is directed to a system having a first memory that stores award transaction information that describes awards earned by a consumer and, for each earned award, an expiration date and an earning date (Appln. p. 2, ln. 29 – 31), (Appln. p. 8, ln. 1 – 18, Figure 3); a second memory that stores information related to types of awards that cannot be redeemed at one or more suppliers (Appln. p. 2, ln. 31 – 33), (Appln. p. 8, ln. 32 – p. 9, ln. 2, Figure 4); and a processor coupled to the first memory and the second memory (Appln. p. 7, ln. 1 – 29). The processor being operable for receiving a request to redeem an amount of the earned awards at a chosen supplier (Appln. p. 3, ln. 9 – 14); determining allowed awards that can be redeemed at the chosen supplier (Appln. p. 8, ln. 26 – 34, Figure 4); and determining encumbrance levels of the allowed awards based on the types of allowed awards and the data in the encumbrance database (Appln. p. 8, ln. 32 – p. 9, ln. 2), (Appln. p. 12, ln. 5 – 9); and determining which of the allowed awards, having different encumbrance levels, to redeem based on the encumbrance levels (Appln. p. 12, ln. 5 – 9).

Claim 19 is directed to a system having an award history database that stores award transaction information that describes awards earned by a consumer and, for each earned award, an expiration date and an earning date (Appln. p. 8, ln. 1 – 18, Figure 3); an encumbrance database that describes restrictions on redeeming types of awards (Appln. p. 8, ln. 32 – p. 9, ln. 2, Figure 4); and a processor coupled to the award history database and the encumbrance database (Appln. p. 7, ln. 1 – 29). The processor being operable for receiving a request to redeem an amount of the earned awards (Appln. p. 3, ln. 9 – 14); determining allowed awards that may be redeemed based on the expiration date (Appln. p. 1, ln. 28 – 31); determining which of the allowed awards to redeem based on the earning date (Appln. p. 12, ln. 10 – 16); and determining allowed awards, having different encumbrance levels, to redeem based on encumbrance levels (Appln. p. 12, ln. 5 – 9).

## **VI. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL**

- (1) Whether claims 1-5, 7, 8, 11-13, 15, and 17-19 are anticipated under 35 U.S.C. § 102 by Ikeda, U.S. Patent No. 5,937,391; and
- (2) whether dependant claims 6 and 14 are unpatentable under 35 U.S.C. § 103(a) over Ikeda.

## **VII. ARGUMENT**

### **Claims 1-5, 7, 8, 11-13, 15, and 17-19 are not anticipated by Ikeda under 35 U.S.C. § 102.**

Claims 1-5, 7, 8, 11-13, 15, and 17-19 stand rejected under 35 U.S.C. § 102 as being anticipated by Ikeda. An anticipation rejection under 35 USC § 102 requires a showing that each limitation of a claim is found in a single reference, practice, or device. See In re Donohue, 766 F.2d 531, 226 USPQ 619, 621 (Fed. Cir. 1985).

Ikeda does not teach or suggest all limitations of independent claims 1, 8, 17, and 19. Claim 1, as amended, recites, “determining which of the allowed awards, having different encumbrance levels, to redeem based on the encumbrance levels.” (emphasis added). Claim 8 recites, “determining which of the allowed awards, having different encumbrance levels, to redeem based on the encumbrance levels.” (emphasis added). Claim 17 recites, “determining which of the allowed awards, having different encumbrance levels, to redeem based on the encumbrance levels.” (emphasis added). Claim 19 recites, “determining allowed awards, having different encumbrance levels, to redeem based on encumbrance levels.” (emphasis added).

Ikeda does not teach any form of “determining which of the allowed awards, having different encumbrance levels, to redeem based on the encumbrance levels.” The present invention teaches that, “encumbrance of awards is measured in terms of restrictions on redeeming the awards at certain suppliers. Particularly, awards are encumbered if one or more suppliers will not accept them for redemption.” (Appln. p. 13, ln. 11-12). Awards may be redeemable at all suppliers, or they may be redeemable at some suppliers and not redeemable at others. That is, different awards may have different encumbrance levels. This aspect of the invention has been specifically included in the independent claims, which call for “allowable awards, having different encumbrance levels.”

Ikeda is directed to a system for point redemption in the setting of an online shopping mall. Ikeda's system teaches that a shop may either accept or not accept all awards. (See Ikeda Figure 9, col. 8, ln. 14-16 ("The points issue ratio 0 and points redeeming ratio 0 for shop E indicates that the point-service is not provided by shop E.")). Because the "points issue ratio" affects all points that would be used at a given shop, all points are equally effected if a shop chooses not to accept points. See Examiner's Interview Summary of January 30, 2007 ("[t]herefore points earned at shop B and D have the same 'encumbrance level' because said points earned at shop B and D have the **same level of acceptance** (i.e. not accepted at one store)." (emphasis added)). Thus, if a shop chooses not to accept points, then all points are equally encumbered. If all points are equally encumbered, it is impossible to determine which of the allowed awards having different encumbrance levels, to redeem based on the encumbrance levels, as is claimed in the current application. Ikeda does not teach that a shop may accept points from certain, specified sources, and not accept points from one or more (but less than all) other sources. In the context of the present invention, therefore, Ikeda does not teach that points may have different encumbrance levels.

As an illustrative comparison between Ikeda and the present, table 1, below, represents an example of Ikeda's system and table 2, below, represents an example of the present invention. These tables and the accompanying explanations illustrate the proposition set forth in the preceding paragraph; that under Ikeda all awards are encumbered at the same level, and thus Ikeda does not teach or suggest "determining which of the allowed awards to redeem based on the encumbrance levels", as claimed in the present invention.

**Illustrative Examples of Both Ikeda and the Present Invention**

		Table 1 Sources of Awards			
SHOPS		Visa	United Air	Discover	Shell Gas
	A	X	X	X	X
	B	✓	✓	✓	✓
	C	✓	✓	✓	✓
	D	✓	✓	✓	✓

As shown in the table 1 above, representing an example of Ikeda's system, Shop A does not accept awards earned from any source. (Ikeda Fig 9, col. 8, ln. 14-16; "The points issue ratio 0 and points redeeming ratio 0 for shop E indicates that the point-service is not provided by shop E."). This is represented by the "X"s in Shop A's row. Shops B, C, and D accept points from any source. (Ikeda Fig. 9). This is represented by the check marks in the rows corresponding to Shops B, C, and D. If, as stated in the present specification, "awards are encumbered [if] one or more suppliers will not accept them for redemption" (Appln. p. 13, ln. 11-12), then the encumbrance level of an award can be found by counting the number of "X"s in an award sources column. Thus, the encumbrance levels for the awards are as follows: awards from Visa have an encumbrance level of 1; awards from United Air have an encumbrance level of 1, awards from Discover have an encumbrance level of 1, and awards from Shell Gas have an encumbrance level of 1. If a customer with awards from all four sources wants to shop at Shop B, and Shop B accepts all types of points, Ikeda cannot determine which of the allowed awards to redeem based on encumbrance levels because all awards are encumbered to the same degree, 1.



**Table 2**  
**Sources of Awards**

SHOPS	Visa	United Air	Discover	Shell Gas
	A	X	X	X
	B	✓	X	X
	C	✓	✓	X
	D	✓	✓	X

Contrasting an example of the present invention, as shown by the table 2 above, Shop A does not accept awards earned from any source; Shop B does not accept awards earned from sources United Air, Discover, or Shell Gas; Shop C does not accept awards earned from sources Discover and Shell Gas; and Shop D does not accept awards earned from source Shell Gas. Again, the encumbrance level of an award can be found by counting the number of “X”s in an award sources column. Thus, the encumbrance levels for the awards are as follows: awards from Visa have an encumbrance level of 1; awards from United Air have an encumbrance level of 2, awards from Discover have an encumbrance level of 3, and awards from Shell Gas have an encumbrance level of 4. If a customer with awards from all four sources wants to shop at Shop D and Shop D accepts all types of awards except those earned at Shell Gas, then the present invention determines which of the redeemable awards (awards earned at Visa; United Air; or Discover) to redeem based on the encumbrance levels. Therefore, the present invention would redeem points beginning with the most encumbered which is the following order: (1) awards from Discover with an encumbrance level of 3; (2) awards from United Air with an encumbrance level of 1; and (3) awards from Visa with an encumbrance level of 1. This is what Ikeda does not teach, and what would be impossible under Ikeda’s system.

In response to this repeated argument, the Examiner maintained in the May 3, 2007 Office Action, “Ikeda teaches that purchase [*sic*] made at shop B and D are the least

encumbered as said purchase [*sic*] are not accepted for award redemption at only one store (*i.e.* shop E) and purchase [*sic*] made in shop E are the most encumbered as said purchase [*sic*] are not accepted for award redemption in more than one store (*i.e.* shop A, B, C).” (May 3, 2007 Office Action, p. 9, ¶ 5). In responding to this argument Appellants assume that the Examiner has accidentally substituted the word “purchase” for “points.” However, assuming the Examiner is comparing points awarded at shops B, D, and E the Examiner’s argument is inapposite. According to Ikeda, shop E does not provide the point-service, col. 8, ln. 14-16, thus shop E does not award points. Because shop E does not award points, the points left to compare are those earned at shops B and D, which the Examiner has already maintained have the same encumbrance level. See Examiner’s Interview Summary of January 30, 2007. Thus, the determination of which points to use, either B or D, cannot be based on the encumbrances of those points. This is precisely the situation a hypothetical shopper using Ikeda would be faced with.

A hypothetical shopper using the system set forth by Ikeda could earn points from all shops with a Points Issue Ratio greater than 0 and spend points from all shops with a Points Redeeming Ratio greater than 0. (Ikeda col. 8, ln. 10-16, Figure 9). Thus, a hypothetical shopper could earn and spend points at all shops except shop E. Therefore, all of the points earned by the hypothetical shopper at shops A-D and F-H are encumbered in that they cannot be used at shop E. Therefore, under the Ikeda system, if the hypothetical shopper wanted to purchase a product from shop A using points earned at shops A-D and F-H, a determination of which points to redeem based on encumbrance levels would be impossible because all of the points are equally encumbered because all of the points are non-redeemable at shop E.

Thus, under Ikeda, all awards are either accepted or rejected by a given shop; awards do not have different encumbrance levels. Therefore, Ikeda cannot teach, “determining **allowed awards, having different encumbrance levels**, to redeem based on encumbrance levels.” For this reason, all of the independent claims are allowable.

Claims 2-5, 7, 11-13, 15, and 18 are allowable because they are dependant on claims which are allowable

**Claims 6 and 14 are not obvious over Ikeda under 35 U.S.C. § 103.**

Pending claims 6 and 14 are rejected under 35 USC §103 as being obvious over Ikeda.

Appellant respectfully disagrees and asserts that these claims depend from allowable independent claims, as is shown above.

In view of the forgoing, applicant respectfully requests that the Board reverse all claim rejections.

**CONTINGENT AUTHORIZATION TO CHARGE DEPOSIT ACCOUNT**


Unless a check for the present Brief on Appeal is submitted herewith for the fee required under 37 C.F.R. §§ 1.192(a) and 1.17(c), please charge said fee to Deposit Account No. 02-2135.

Respectfully submitted,

Date:

11/19/2007

By



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### **VIII. CLAIMS APPENDIX**

The following claims are involved in this appeal:

1. A method in a redemption system for determining which awards to redeem, the method comprising:

maintaining an award history database that includes award transaction information that describes awards earned by a consumer and, for each earned award, the type of award;

maintaining an encumbrance database that describes types of awards that cannot be redeemed at one or more suppliers;

receiving a request to redeem an amount of the earned awards at a chosen supplier;

determining allowed awards that can be redeemed with the chosen supplier;

determining encumbrance levels of the allowed awards based on the types of allowed awards and the data in the encumbrance database; and

determining which of the allowed awards, having different encumbrance levels, to redeem based on the encumbrance levels.

2. The method of claim 1 wherein determining which of the allowed awards to redeem is further based on expiration dates of the allowed awards.

3. The method of claim 1 wherein determining which of the allowed awards to redeem is further based on dates on which the allowed awards were earned.

4. The method of claim 1 wherein the type of award includes from which promotion the award was earned.

5. The method of claim 1 wherein the type of award includes from which business the award was earned.

6. The method of claim 1 wherein the type of award indicates black-out dates on which the award cannot be redeemed.

7. The method of claim 1 wherein the type of award indicates a classification of the award.

8. A method in a redemption system for determining which awards to redeem, the method comprising:

maintaining an award history database that includes award transaction information that describes awards earned by a consumer and including, for each earned award, an expiration date, an earning date, and the type of award;

maintaining an encumbrance database that describes restrictions on redeeming types of awards;

receiving a request to redeem an amount of the earned awards;

determining allowed awards that may be redeemed based on the expiration date and the types of awards;

determining encumbrance levels of the allowed awards based on the types of the allowed awards and the restrictions on redeeming the allowed awards as maintained in the encumbrance database;

determining which of the allowed awards to redeem based on the earning date; and

determining which of the allowed awards, having different encumbrance levels, to redeem based on the encumbrance levels.

9. Cancelled.

10. Cancelled.

11. The method of claim 8 wherein the encumbrance database describes types of awards that cannot be redeemed at one or more suppliers;

wherein receiving a request to redeem further comprises receiving an indication of a chosen supplier at which to redeem the awards; and

wherein determining allowed awards is further based on the chosen supplier.

12. The method of claim 8 wherein the type of award depends on the promotion with which the award was earned.

13. The method of claim 8 wherein the type of award depends on the business with which the award was earned.

14. The method of claim 8 wherein the type of award depends on black-out dates on which the award cannot be redeemed.

15. The method of claim 8 wherein the type of award indicates a classification of the award.

16. Cancelled.

17. In a network promotion system, a system for determining which awards to redeem, the system comprising:

a first memory that stores award transaction information that describes awards earned by a consumer and, for each earned award, an expiration date and an earning date;

a second memory that stores information related to types of awards that cannot be redeemed at one or more suppliers;

a processor coupled to the first memory and the second memory and operable to perform the steps of:

receiving a request to redeem an amount of the earned awards at a chosen supplier;

determining allowed awards that can be redeemed at the chosen supplier; and  
determining encumbrance levels of the allowed awards based on the types of allowed awards and the data in the encumbrance database; and

determining which of the allowed awards, having different encumbrance levels, to redeem based on the encumbrance levels.

18. The system of claim 17 wherein the first memory and the second memory are a common memory with storage areas for award transaction information and information related to types of awards that cannot be redeemed at one or more suppliers.

19. In a network promotion system, a system for determining which awards to redeem, the system comprising:

an award history database that stores award transaction information that describes awards earned by a consumer and, for each earned award, an expiration date and an earning date;

an encumbrance database that describes restrictions on redeeming types of awards; and  
a processor coupled to the award history database and the encumbrance database, and operable to perform the steps of:

- A) receiving a request to redeem an amount of the earned awards;
  - B) determining allowed awards that may be redeemed based on the expiration date;
  - C) determining which of the allowed awards to redeem based on the earning date;
- and
- D) determining allowed awards, having different encumbrance levels, to redeem based on encumbrance levels.

20. Cancelled.

21. Cancelled.

#### **IX. EVIDENCE APPENDIX**

There has been no evidence submitted to or entered by the examiner that is being relied upon by Appellant in this appeal.



**X. RELATED PROCEEDINGS APPENDIX**

There have been no decisions rendered by a court or the Board in any related proceedings.